

## **EXHIBIT 4**

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16 OCT 26 PM 12:13

KING COUNTY  
SUPERIOR COURT CLERK  
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CASE NUMBER: 16-2-26217-1 SEA

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF KING

HUA YE,

Plaintiff,

vs.

STATE FARM MUTUAL AUTOMOBILE  
INSURANCE COMPANY,

Defendant.

)  
) CASE NO.  
)  
) COMPLAINT FOR  
) MONETARY DAMAGES  
)  
)  
)  
)  
)  
)

COMES NOW the Plaintiff, Hua Ye, by and through the undersigned attorney, and states for her claim against the Defendant as follows:

PARTIES AND JURISDICTION

1. The Plaintiff, Hua Ye (hereafter referred to as "Ms. Ye" or "Plaintiff"), is a resident of Bellevue, Washington.

2. The Defendant State Farm Mutual Automobile Insurance Company (hereafter referred to as "State Farm" or "Defendant"), is an insurance company providing automobile insurance in the State of Washington. The Plaintiff is informed and believes, and thereupon alleges, that, at all times

COMPLAINT FOR MONETARY DAMAGES - 1

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1 material hereto, Defendant State Farm was, and is, a corporation in the business of selling automobile  
2 insurance, which conducted and still conducts business in King County, Washington.

3 3. Jurisdiction and venue for this cause of action herein are proper in King County,  
4 Washington pursuant to RCW 4.12.030, in that the insurance contract at issue herein was entered into  
5 in King County, Washington.

### 6 7 EVENTS

8 4. On April 11, 2015, Ms. Ye's vehicle, a 2015 Lamborghini Agriavador, was rear ended  
9 while lawfully stopped for traffic in Bellevue, Washington. When the driver, Yuang Huang, attempted  
10 to exchange insurance information, the at-fault driver fled the scene. The identity of the at-fault driver  
11 is unknown. Under these circumstances, a first-party claim is justified under the underinsured motorist  
12 portion of Ms. Ye's automobile insurance policy.

13 5. At the time of the collision, Ms. Ye had a valid automobile insurance policy with  
14 Defendant State Farm. Said policy included underinsured motorist coverage, under which the  
15 Defendant was to "pay compensatory damages for property damage an insured is legally entitled to  
16 recover from the owner or driver of an underinsured motor vehicle."

17 6. The repairs to Ms. Ye's Lamborghini have totaled \$139,720.71.

18 7. The damage to Ms. Ye's Lamborghini was extensive and required removal of the  
19 engine, transmission and rear drive system, replacement of the bumper and exhaust systems, and  
20 painting of four major body panels. Given the specialized nature of the repairs, the work on Ms. Ye's  
21 vehicle was not finished until September 11, 2015.

22 8. As a direct and proximate cause of the automobile collision, and the extensive property  
23 damage resulting therefrom, Ms. Ye's Lamborghini has sustained an extreme decrease in market value  
24 known as Diminution of Value, or more commonly known as "Diminished Value."

25 COMPLAINT FOR MONETARY DAMAGES - 2

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1           9.     After repairs, Ms. Ye's Lamborghini has lost actual value, and she has not been  
2 returned to the position she held prior to the accident.

3           10.    Ms. Ye has opened a diminished value claim with the Defendant, State Farm, under the  
4 underinsured motorist portion of her policy.

5           11.    Ms. Ye has supported her claim for the amount of diminished value of her vehicle  
6 through the use of an expert report, which includes price quotes from named Lamborghini dealers.

7           12.    The Defendant has drastically undervalued the diminished value of the Defendant's  
8 vehicle, and has refused to disclose or rely on Lamborghini dealer price quotes in reaching its  
9 determination of the diminished value.

10          13.    The Defendant has refused, and continues to refuse, to offer an accurate amount for the  
11 Ms. Ye's diminished value claim.

12          14.    The diminished value of Ms. Ye's vehicle is within the policy limits of her  
13 underinsured motorist policy with the Defendant State Farm.

14          15.    Defendant State Farm's evaluation of the cash value of Ms. Ye's diminished value  
15 claim, and subsequent payment to the Plaintiff, is grossly inaccurate and without reasonable  
16 justification.

17          16.    The Plaintiff, as a first-party claimant, has served the Defendant State Farm and the  
18 office of the Washington State Insurance Commissioner with written notice of the basis for this cause  
19 of action. Over twenty days have passed since service of written notice, and the Defendant, State  
20 Farm, has failed to resolve the basis for this action.

21                   **CAUSE OF ACTION – INSURANCE BAD FAITH (COMMON LAW)**

22           17.    As the Plaintiff's insurance provider, Defendant State Farm owed Plaintiff a duty of  
23 good faith to conduct a reasonable investigation in determining the value of the Plaintiff's  
24

25 **COMPLAINT FOR MONETARY DAMAGES - 3**

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1 underinsured motorist claim, and to have a reasonable justification for rejecting the Plaintiff's  
2 valuation of her underinsured motorist claim.

3 18. Defendant State Farm failed to act in good faith by failing to conduct a reasonable  
4 investigation in determining the value of the Plaintiff's underinsured motorist claim.

5 19. Defendant State Farm has failed to act in good faith by rejecting the Plaintiff's  
6 valuation of her underinsured motorist claim without reasonable justification.

7 20. Defendant State Farm has also failed to act in good faith by violating the standards for  
8 prompt, fair and equitable settlements set forth in RCW 48.30.015(5)(e) and WAC 284-30-380.  
9 Specifically, Defendant State Farm has breached its duty of responsibility "for the accuracy of  
10 evaluations to determine cash value" under WAC 284-30-380(7).

11  
12 **CAUSE OF ACTION – INSURANCE FAIR CONDUCT ACT**

13 21. It is a violation of the Insurance Fair Conduct Act, RCW 48.30.015, for an insurer to  
14 unreasonably deny a claim for payment of benefits.

15 22. The amount paid by the Defendant, as described above, was unreasonably low, not in  
16 line with the losses claimed, not based on a reasoned evaluation of the facts, and has not compensated  
17 the Plaintiff for the loss of value to her vehicle. Said refusal to pay a reasonable amount constitutes a  
18 denial of the Plaintiff's claim for payment of benefits.

19 23. Defendant State Farm has also violated the Insurance Fair Conduct Act by violating the  
20 standards for prompt, fair and equitable settlements set forth in RCW 48.30.015(5)(e) and WAC 284-  
21 30-380. Specifically, Defendant State Farm has breached its duty of responsibility "for the accuracy of  
22 evaluations to determine cash value" under WAC 284-30-380(7). Said breach constitutes a violation of  
23 the Insurance Fair Conduct Act.

24  
25 **CAUSE OF ACTION – CONSUMER PROTECTION ACT**

1       24.     The Washington Consumer Protection Act (RCW 19.86) prohibits unfair or deceptive  
2 acts or practices in the conduct of any trade or commerce.

3       25.     The actions of the Defendant, as described above, constituted an unfair act within the  
4 meaning of the Consumer Protection Act.

5                   **CAUSE OF ACTION – BREACH OF CONTRACT**

6       26.     Under the Plaintiff's insurance policy, the Defendant had a duty to pay compensatory  
7 damages for property damage that the Plaintiff was legally entitled to recover from the owner or driver  
8 of the underinsured motor vehicle.

9       27.     By failing to compensate the Plaintiff fully for the diminished value of her vehicle, the  
10 Defendant has breached its insurance contract with the Plaintiff.

11                   **DAMAGES**

12       28.     As a direct and proximate result of Defendant State Farm's actions, as described above,  
13 the Plaintiff has suffered monetary damages equal to the difference between the actual cash value of  
14 her diminished value claim and the amount paid by the Defendant.

15       29.     As a further direct and proximate result of Defendant State Farm's actions, as described  
16 above, the Plaintiff has and will incur costs, including expert witness fees, to which she is entitled to  
17 compensation.

18                   **ATTORNEY FEES**

19       30.     As a further direct and proximate result of the Defendants' actions, the Plaintiff, in  
20 order to protect her interests and rights, has incurred attorney fees, and will incur additional attorney  
21 fees after the filing of this complaint, to which she is entitled to compensation.

1       **WHEREFORE**, based on the foregoing, Plaintiff **Hua Ye** requests a judgment against  
2 Defendant **State Farm** as follows:

- 3       A.     For economic damages, in an amount according to proof, for the cash value of her  
4             diminished value claim, less the amount paid by State Farm;
- 5       B.     For her statutory and reasonable attorney fees, as authorized under RCW 4.84.080,  
6             RCW 48.30.015(3), RCW 19.86.090, and applicable law;
- 7       C.     For the actual and statutory costs of litigation, including expert witness fees, as  
8             authorized under RCW 48.30.015(3) and applicable law;
- 9       D.     For treble damages under RCW 48.30.015(2), RCW 19.86.090, and applicable law;
- 10      E.     For such other relief as the court may deem just.

11      **DATED** this 26<sup>th</sup> day of October, 2016.

12  
13                                   LAW OFFICES OF AARON M. LUKOFF  
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15                                   David T. Kennedy  
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17                                   Attorney for Plaintiff